

ORIGINAL
Sahuarita Water Compar



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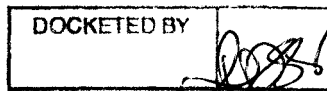
August 17, 2011

Docket Control
Arizona Corporation Commission
1200 W Washington St.
Phoenix, AZ 85007

Arizona Corporation Commission

DOCKETED

AUG 24 2011



AZ CORP COMMISSION
DOCKET CONTROL

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RE: Docket # W-03718A-09-0359
Decision# 72177
Compliance Condition #7-Proposed 2011 CAGR D Adjuster Fee

To Whom It May Concern:

Pursuant to the above-referenced decision, Sahuarita Water Company, LLC (Company) submits the accompanying proposed 2011 CAGR D Adjuster Fee (Fee) for Staff review and Commission approval.

At the time of the Open Meeting, which resulted in the issuance of Decision No. 72177, there was some uncertainty as to how to treat for future CAGR D Adjuster Fee purposes certain volumes of groundwater pumped by the Company for use by the Town of Sahuarita ("Town") pursuant to a Type 1 Groundwater Right owned by the Town. Subsequent to that Open Meeting, Ms. Nancy Scott of the Commission's Utilities Division and the undersigned have been in communication with one another for the purpose of resolving this uncertainty; and, the enclosed Water Use Data Sheet (Exhibit #4) prepared by the company reflects the results of the approach upon which Ms. Scott and the Company agreed.

Attached to this submittal as exhibit(s) are the (i) CAGR D Adjuster Fee calculation sheet, (ii) the 2010 CAGR D Member Service Area Annual Replenishment Tax Statement, (iii) the 2011 CAGR D Data and Calculation of Annual Membership Dues spreadsheet and (iv) the Company's 2010 Water Use Data Sheet.

Should you require any further information, please contact me.

Respectfully,

Mark J Seamans, President
Sahuarita Water Company, LLC

Corporate Office: 4549 E Ft Lowell Rd. Tucson, AZ 85712 Ph. (520) 299-8766 Fax: (520) 529-3137

Field Office: 725 W Via Rancho Sahuarita Rd., P.O. Box 1520, Sahuarita, AZ 85629-0530
Ph. (520) 399-1105 Fax (520) 399-1095

Exhibits

1. 2011 CAGRD Adjuster Fee Calculation Sheet
2. 2010 CAGRD Member Service Area Annual Replenishment Tax Statement
3. 2011 CAGRD Data and Calculation of Annual Membership Dues spreadsheet.
4. 2010 Sahuarita Water Company Water Use Data Sheet

Cc: Steve Olea, Utilities Division
Nancy Scott, Utilities Division
Kimberly D Battista, Chief of Compliance & Enforcement
Robert M. Sharpe, Sharpe and Associates, Inc
Lawrence V. Robertson, Jr. Atty
File

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2011 CAGRD ADJUSTOR FEE CALCULATION

Exhibit #1

2009 CAGRD Invoice	\$ 200,489.00		
CAGRD Received:			
March	(11,475.20)	Actual amount collected	
April	(11,211.87)	Actual amount collected	
May	(18,448.78)	Actual amount collected	
June	(12,869.30)	Actual amount collected	
July	(22,817.64)	Actual amount collected	
August (estimated)	(17,505.49)	Based on amount billed 8/1/11	
September (estimated)	(15,784.97)	Based on last year's gallons sold in August 40,063.38 @ \$.394	
Interest earned (estimated)	(10.77)	Estimated	
2009 CAGRD not recovered	<u>90,364.98</u>		\$ 90,364.98
2010 CAGRD Invoice		See Attached Invoice and CAP's Data & Calculation of Annual Membership	
Total CAGRD to be recovered		Dues Spreadsheet	<u>263,829.97</u>
			\$ 354,194.95
Total Gallons Sold-2010 (1,000s)		See Water Use Data Sheet submitted with 2010 ACC Annual Report	446,302
Charge per 1,000 gallons			\$ 0.794

Exhibit #2



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Invoice

SAHUARITA WATER COMPANY
MARK SEAMANS
4549 E FORT LOWELL ROAD
TUCSON, AZ 85712

Invoice 59099
Customer Number 1239
Billing Date 08/15/2011
Due Date 10/15/2011

Remit To:
CENTRAL ARIZONA PROJECT
P.O. BOX 42447
PHOENIX, AZ 85080-2447

Description	Quantity	UOM	Unit Price	Extended Amount
WATER REPLENISHMENT	574.36	a/f	155.00	89,025.80
ADMIN COMPONENT	574.36	a/f	42.00	24,123.12
INFRASTRUCTURE	574.36	a/f	170.00	97,641.20
REPLENISHMENT RESERVE	574.36	a/f	60.00	34,461.60
ANNUAL MEMBERSHIP DUES	1795	ea	10.35	18,578.25

Total Amt Due \$263,829.97

Reference

2010 CAGRD MEMBER SERVICE AREA ANNUAL REPLENISHMENT TAX STATEMENT
(26-400049)

Refer questions to Accounts Receivable: 623-869-2149 inquiries@cap-az.com

Please include the invoice number on all remittances and include remittance copy with postal payments.

FOR INTERNAL USE ONLY			
Entity:	Pay By:		
Vendor ID:	Inv. Date:		
Contract/PO#:	Inv. #:		
Description:			
Job ID/WE CL#:	Phase ID:	Cost Code:	Amount:
Approved:		Date:	Approved:
Date:			Date:
Proj. Manager:	Site Super:		
Pres. Const.:	Proj. Manager:		
Other:	Site Super:		
	Proj. Manager:		
	Site Super:		
	Other:		

Exhibit #3

4/19/2011

Data Subject to Revision

Data & Calculation of Annual Membership Dues for Member Service Areas

(Units are acre-feet unless otherwise indicated)

Name	Date Expires	Decision Order Number	Right Number	Date Issued	L.R. Factor	Total DAWS	CAP	Effluent	Surface Water	Groundwater	LTSCs	AWS AR			Other Info			MSA		
												2017	Adjusted Effluent	Other CAP	Other Effluent	LTSCs	GW Allow	Min Override		
Avondale	31-Dec-25	55-020203.0002	55-020203.0000	25-Sep-10	4.4%	25,056	5,416	5,974	13,398	1,008	430	22,257	8,520			46,259	57,633	0		
Casa Grande	31-Dec-13	26-400728	55-001356.0001	04-Aug-03		4,113				4,113		157								
Chapparral City WC	31-Dec-14	26-401742	55-002011.0000	07-Apr-04	4.0%	8,000	6,978		1,022			8,140								
El Mirage	31-Dec-20	55-400554.0001	55-002016.0000	28-Sep-10	4.0%	8,088	508	4,032				4,888	2,442			1,194	7,061			
Elroy	31-Dec-15	26-402148.0000	55-001203.0000	20-Feb-07	4.0%	49,159				49,159		6,056		2,171		34,645	140,800			
Florence	31-Dec-14	26-401284.0000	55-001284.0001	24-Jan-05		12,310				12,310				2,048		15,842				
FWD	31-Dec-18	26-700470.0000	55-000384.0000	14-Apr-09	4.0%	2,893				2,893		2,893		2,863						
Gilbert	31-Dec-25	55-402206.0001	55-002017.0000	25-Sep-10	5.1%	95,198	18,265	25,347	40,643	7,700	926	63,790	20,097			137,896	86,581	0		
Goodyear	31-Dec-10	26-402090.0000	55-002018.0000	27-Jan-08	4.0%	18,940	3,631	3,390		7,700	1,349	19,588	2,929	7,211						
Johnson Utilities-Phoenix	31-Dec-26	55-400665.0001	55-002346.0000	02-Jan-09	4.0%	18,154				18,154		11,705			3,216					
Johnson Utilities-Pinal	31-Dec-17	55-401382.0001	55-001538.0000	01-Dec-08	4.0%	1,595				1,595		4,403		1,528		10,642	2,938			
Marana	31-Dec-17	26-402254.0000	55-000107.0000	14-May-07	4.0%	7,580				7,580		8,800		12,760		17,698	116,638			
Metro Water-Main	31-Dec-16	26-401922.0000	55-000349.0000	31-Jul-06	4.0%	13,302				13,302		1,021		700						
Metro Water-West	31-Dec-16	26-401922.0000	55-000380.0000	25-Sep-08	4.0%	1,014				1,021										
Oro Valley	31-Dec-13	26-400765	55-000398.0000	26-Jun-03	4.0%	15,049		4,000		13,384		9,327	2,478	10,305		19,428				
Shuarita WC	31-Dec-34	55-401033.0001	55-000373.0000	27-Jan-09	4.0%	10,983				10,983		2,009				63	13,006			
Spanish Trail WC	31-Dec-20	55-700205.0000	55-000170.0000	05-Jan-09	4.0%	4,388				4,388		717		3,037						
Surprise	31-Dec-20	55-002344.0001	55-002344.0000	28-Sep-10	4.0%	18,718	10,249	5,403		1,032	33	18,199	5,222			16,342	43,434	0		
Tucson	31-Dec-16	26-400667.0000	55-000001.0000	21-Jun-07	4.0%	183,656	135,868	15,800		33,181	740	142,400	12,236	8,225		104,039	1,866,210	12,500		
Vail WC	31-Dec-15	26-401752.0000	55-000060.0000	10-Nov-05	4.0%	6,473				3,749		1,640		1,857		6,112		24		
Willow Springs	31-Dec-17	26-402225.0000	55-000381.0000	15-Apr-08	4.0%	2,635				2,635										
WUCFD	31-Dec-25	55-002025.0001	55-002025.0000	28-Sep-10	4.0%	3,562	1,232			2,372	391	1,935		1,687		24,288	463			

EXPLANATION

Information in these columns is extracted from each water provider's most recent Designation of Assured Water Supply (DAWS). The incidental recharge ("I.R. Factor") is used by ADWR to add to the amount of groundwater that the provider may pump without having to replenish. The other volumes correspond to the portfolio of supplies that each provider used to meet the AWS rules. The "LTSCs" (long-term storage credits) number reflects the total volume of credits pledged to the Designation, divided by 100.

Pursuant to the approved AMD policy, the projected demand from each water provider is based on the estimate for 2017 included in their AWS Annual Report submitted to ADWR.

The "Adjusted Effluent" is an estimate of how much of the effluent that was included in the DAWS can be expected to be available in 2017. It is calculated as: ("2017"/"Total DAWS") * ("DAWS Effluent." * "Other CAP" and "Other Effluent" are supplies that are legally available to the water provider, but that were excluded from their DAWS. The "LTSCs" and "GW Allow" are volumes that are divided by 100 to make them comparable to long-term supplies. [The renewable groundwater allowances in the Pinal AMA have been adjusted (multiplied by 100) to ensure full credit is given.]

The values in the "Min Override" column are used to identify MSAs that do not rely on the CAGRD in their current Designation, and those with CAGRD reliance that differs from the standard calculation.

The "GRD Reliance" column implements the AMD methodology by beginning with the 2017 demand, then subtracting "CAP" & "Surface Water" from the "Designation Order" section, then further subtracting "Adjusted Effluent", "Other CAP", "Other Effluent", 1/100th of "LTSCs", 1/100th of "GW Allow". That result is then further reduced by multiplying by (1 - "I.R. Factor"). The end result represents the total amount of groundwater that is not otherwise consistent with the Management Goal (i.e., will be reported as Excess Groundwater to the CAGRD). In addition, the statutory 5% minimum is calculated as: "Total DAWS", less the "CAP", "Effluent", "Surface Water" and "LTSCs" values that are in the "Designation Order" section. That result is further reduced by the incidental recharge (1 - "I.R. Factor"), and then multiplied by 5%. The "Dues Volume" column is the larger of the "GRD Reliance" and "5% Min" columns (the 5% minimum ones are highlighted in orange). The "AMD" column multiplies the "\$/AF" rate by the "Dues Volume."

AMD Calculations Utilizing Approved AMD Policy									
GRD reliance	5% Min	Dues Volume	AMD						
-	-	-	-						
157	205	205	2,128						
772	49	772	7,988						
1,791	170	1,791	18,529						
2,043	2,360	2,360	24,418						
-	616	616	6,389						
-	137	137	1,422						
-	-	-	-						
3,333	370	3,333	34,461						
6,236	871	8,236	85,227						
696	77	688	7,097						
2,630	364	2,630	27,215						
-	638	638	6,607						
-	49	49	504						
-	530	530	5,488						
1,795	527	1,795	18,572						
-	211	211	2,180						
87	-	87	895						
-	625	625	6,468						
-	311	311	3,215						
-	126	126	1,309						
-	93	93	963						
Totals	25,230	\$	261,067						

Total Revenue: \$1,715,000
MSA's share: 15%
\$/AF: \$10.35

*This value is set by the board and constrained by statute.
** Based on total MSA AMD volume, and statutory formula.

WATER USE DATA SHEET

	Gallons Sold (Thousands)	Gallons Sold (Thousands)	Gallons Sold (Thousands)	TOTAL GALLONS SOLD (Thousands)	Gallons Pumped (Thousands)	Gallons Pumped (Thousands)	TOTAL GALLONS PUMPED (Thousands)		AF Sold	AF Sold	AF Sold	TOTAL SOLD (AF)	AF Pumped	AF Pumped	
	Under Right/Permit No. 58- 100316.0018	Under Right/Permit No. 56- 000373.0000	Under Right/Permit No. 58- 100316.0018	TOTAL GALLONS SOLD (Thousands)	Under Right/Permit No. 58- 100316.0018	Under Right/Permit No. 56- 000373.0000	Under Right/Permit No. 58- 100316.0018	TOTAL GALLONS PUMPED (Thousands)	Under Right/Permit No. 58- 100316.0018	Under Right/Permit No. 56- 000373.0000	Under Right/Permit No. 58- 100316.0018	TOTAL SOLD (AF)	Under Right/Permit No. 58- 100316.0018	Under Right/Permit No. 56- 000373.0000	
TYPE OF RIGHT	Type 1 GFR	Large Municipal	Type 1 GFR	Type 1 GFR	Large Municipal	Large Municipal	Type 1 GFR	Type 1 GFR	Type 1 GFR	Large Municipal	Type 1 GFR	Type 1 GFR	Type 1 GFR	Large Municipal	
MONTH															
JANUARY	2,017.02	30,320.44	452.40	32,337.45	32,958.54	33,410.94	33,410.94	6.19	93.05	93.05	1.39	99.24	1.39	101.15	102.53
FEBRUARY	1,987.69	28,362.07	542.10	30,349.76	30,557.60	31,099.70	31,099.70	6.1	87.04	87.04	1.66	93.14	1.66	93.78	95.44
MARCH	2,867.49	31,519.57	7,296.63	34,387.06	29,064.43	36,361.05	36,361.05	8.8	96.73	96.73	22.39	105.53	22.39	89.20	111
APRIL	4,793.27	38,091.98	600.09	42,885.25	43,089.29	43,689.38	43,689.38	14.71	116.9	116.9	1.84	131.61	1.84	132.24	134.08
MAY	6,249.82	38,395.02	-	44,644.85	50,270.35	50,270.35	50,270.35	19.18	117.83	117.83	-	137.01	-	154.27	154.27
JUNE	8,244.03	47,381.99	2,319.55	55,626.02	52,654.41	54,973.96	54,973.96	25.3	145.41	145.41	7.12	170.71	7.12	161.59	168.71
JULY	6,777.70	42,754.91	-	49,532.61	52,329.78	52,329.78	52,329.78	20.8	131.21	131.21	-	152.01	-	160.59	160.59
AUGUST	3,353.01	40,063.38	7,863.86	43,416.39	36,693.00	44,556.86	44,556.86	10.29	122.95	122.95	24.13	133.24	24.13	112.61	136.74
SEPTEMBER	4,040.55	39,167.29	8,542.32	43,207.84	35,579.93	44,122.25	44,122.25	12.4	120.2	120.2	26.22	132.6	26.22	109.19	135.41
OCTOBER	4,385.95	37,342.52	10,670.20	41,728.48	36,007.79	46,677.98	46,677.98	13.46	114.6	114.6	32.75	128.06	32.75	110.50	143.25
NOVEMBER	4,773.72	39,346.51	13,879.15	44,120.23	31,088.52	44,967.67	44,967.67	14.65	120.75	120.75	42.59	135.4	42.59	95.41	138.00
DECEMBER	3,414.92	33,556.14	13,933.94	36,971.05	24,393.90	38,327.85	38,327.85	10.48	102.98	102.98	42.76	113.46	42.76	74.86	117.62
TOTAL PUMPED	52,905.17	446,301.82	66,100.24	499,206.99	454,687.53	520,787.76	520,787.76				202.85			1,395.38	
Water Received From (Delivered To) Other Rights			(13,193.71)		13,193.71	-					(40.49)			40.49	-
TOTAL	52,905.17	446,301.82	52,906.53	499,206.99	467,881.24	520,787.76	520,787.76	162.36	1369.65	1369.65	162.36	1532.01	162.36	1,435.87	1,598.24
		Reported to ADWR for CAGRD	Reported to ADWR for CAGRD	Reported to ACC	Reported to ADWR for CAGRD	Reported to ACC	Reported to ACC		Reported to ADWR for CAGRD	Reported to ADWR for CAGRD				Reported to ADWR for CAGRD	
		To be used to calculate 2011 CAGRD adjustor fee	Amount used to calculate fee paid to CAGRD		Amount used to calculate fee paid to CAGRD			To be used to calculate 2011 CAGRD adjustor fee						Amount used to calculate fee paid to CAGRD	